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THE ALBERTA

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EDMONTON, ALBERTA

November, 1961

UAM HOLDS 57TH ANNUAL CONVENTION

383 REGISTER FOR ALL-TIME RECORD

RED DEER HOST NEXT YEAR

Mayor Ken Newman of Jasper Place is President of the Union of Alberta Municipalities for 1961-62 as a result of elections at the last session of the organization's 57th annual convention held in Edmonton's Macdonald Hotel, October 25 to 27. First Vice-President is Alderman Bruce Watson of Calgary while Second Vice-President is Mayor Thor Forseth of Peace River.

Mayor Dave Hunter of Athabasca became Honorary President and Ernie Newman, newly-elected Mayor of Red Deer, remains as secretary-treasurer.

Keynote address was by Hon. A. J. Hooke, Minister of Municipal Affairs, while H. Carl Goldenberg, O.B.E., Q.C. delivered "a double header", speaking to delegates Thursday afternoon and again at the banquet that evening.

A panel composed of Hon. A. O. Aalborg, Minister of Education; Dr. John Andrews, Edmonton Public School Board, Mayor Harry Hays, Calgary; and Mayor Ross Ellis, High River, discussed Alberta's Foundation Program during the second morning of the convention with the final morning being devoted to addresses on civil defence. Hon. Fred Colborne, Minister without Portfolio; Brigadier J.S. Ross, D.S.O., and Arnold Lavoie, Alberta's Co-ordinator spoke on various phases of survival planning.

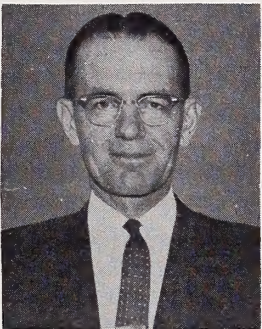
In his keynote address Mr. Hooke spoke of the Provincial-Municipal Advisory Committee as performing a very useful function. He said three recommendations among those coming out of a meeting held the previous day were to meet with executives of both municipal organizations twice yearly, to have resolutions passed at fall conventions discussed by the Committee, and to transfer to municipalities certain public works reserves. (To Page 7)

Alberta Association of Municipal Districts and Counties

CONVENTION CALL

The time is rapidly approaching for our annual convention. This year's meeting will be held in the Macdonald Hotel, Edmonton, November 14, 15, 16 and 17.

The Foundation Program for Education has had a profound effect on municipal government in this Province. Councillors and Secretaries have many questions for which they still seek the answers and your Executive is striving to arrange a program that will bring out the answers to most of these questions. Certainly one of the most interesting sessions will be a panel discussion on "Municipal Taxation" by four men who are recognized leaders in this field.



Each day of the convention has its important aspects so all delegates wishing to get the most from this meeting would be well advised to make plans to remain through all of the four days.

We recognize that entertainment for our delegates and visitors is an important part of the convention so we are constantly trying to improve on it. I feel certain that all who attend will thoroughly enjoy themselves.

Our many friends, who are interested in municipal government are most welcome.

It will be nice to see you all again.

J.M. McKay, President

SECRETARIES MEET AT LEDUC

On Tuesday, October 10, secretary-treasurers of nine surrounding towns met for a regional conference in the Council Chambers of the Town Hall at Leduc.

Convened by W.A. Bell, Secretary-Treasurer of the Town, the meeting was one of several which have been held this year throughout Alberta. Purpose of the meeting was to discuss mutual problems. Mr. Bruce Ramsay, Chief Municipal Inspector, with Mr. Don Bruce and Mr. Don Hansen of the Department of Municipal Affairs, attended the meeting to answer questions and lead in the discussions.

The meeting got underway at 10:30 after Mayor Johns of Leduc had extended a word of welcome on behalf of the Town and expressed his pleasure that secretaries were getting together to discuss problems which concerned them. He mentioned the problems councils had to deal with and how a well informed secretary can be of much assistance to a council in arriving at a decision on many matters. He suggested discussion on aspects of community planning development and services which many towns and villages were being asked by their ratepayers to undertake.

Mr. Ramsay gave a brief review of other regional conferences he had attended and some of the problems discussed. He suggested the

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UAM EXECUTIVE FOR 1961-62 - Standing: Councillor J.D. Clarke, Hinton, and Mayor George Repka, Grande Prairie, executive committee members; Mayor Ross Ellis, High River, representing the Union on the Provincial-Municipal Advisory Committee; Mayor T.W. Snowden, Warner, executive committee. Seated: Mayor Ernie Newman, Red Deer, Secretary-Treasurer; Honorary President, Mayor D.B. Hunter, Athabasca; Mayor Ken Newman of Jasper Place, President; Mayor Thor Forseth, Peace River, Second Vice-President. Not shown are Alderman Bruce Watson of Calgary, First Vice-President, and executive committee members Mayor E.H. Mack, Claresholm; Alderman Roy Osborne, Medicine Hat; Mayor Roper of Edmonton and Mayor E. Toshach, Drumheller. (Alberta Government Photo)

THE SECOND PAGE . . .

FOR THE FALLEN

They went with songs to the battle, they were young,
Straight of limb, true of eye, steady and aglow,
They were staunch to the end against odds uncounted,
They fell with their faces to the foe.

They shall not grow old, as we that are left grow old:
Age shall not weary them, nor the years condemn.
At the going down of the sun and in the morning
We will remember them.

o L. Binyon

OUR CONGRATULATIONS

It was a good convention. We're sure most of the record number of delegates who attended would second such a motion. A fast-moving convention, well-filled and well-used. A wealth of real meat and a deal of fun. Ample opportunity to listen and (if the spirit so moved) to take the floor. Opportunity also for renewing friendships and comparing problems. A chance to get away ... and to return home with a new perspective.

As we understand it, the word "convention" loosely means "come together". Implied is a purpose, a discussion and an application of knowledge gained.

In addition to those reported in our general story there were of course many others who contributed to the success of the proceedings. Those who were there know them already so we shall attempt no further identification.

We want, however, to congratulate the members of the executive on a big job well done ... and to observe what will have occurred perhaps to the majority long before now: It takes more than effort on the part of any executive to ensure the success of a convention; it takes enthusiasm, for one reason or another, on the part of (pardon us a second cliché) the rank and file of the organization.

Since we have the space for it, let us make another simple observation: No organization inspires enthusiasm unless it is fulfilling the function for which it was set up. On these grounds, it seems obvious that the executive and the general membership both are doing splendidly. Our congratulations to all.

KEEP IT SIMPLE!

Some months ago a European refugee plumber, in New York but a short time, wrote a Federal Bureau that he had found hydrochloric acid did a good job of cleaning out clogged drains. The Bureau wrote him as follows: "This efficacy of hydrochloric acid is indisputable but the corrosive residue is incompatible with metallic permanence." The plumber wrote back that he was glad the Bureau agreed with him. The Bureau replied: "We cannot assume responsibility for the production of toxic and noxious residue with hydrochloric acid and suggest you use an alternative procedure." Again, the plumber wrote he was delighted the Bureau agreed with him. Finally, the Bureau wrote: "Don't use hydrochloric acid. It eats hell out of the pipes."

It would be impossible to assess the cost to business in time, frustration, wasted effort, customers lost and staff who leave, caused by poor communication—misunderstanding. Much of this misunderstanding can be blamed on the desire to impress rather than express. Much more is the result of a minimum of thought and a maximum of words. This condition is well illustrated in C.W. Wright's article on communication by the man who falters "Well, let's try that again" or "What I really mean is ..." He finally winds up with a shrug saying "Well you know what I mean!" He doesn't but you are supposed to.

It is difficult to express vague, soggy, befuddled thinking in crisp, meaningful sentences using clean, short, Anglo-Saxon words. The ideal communication is said to be expressed so the words are for children and the meaning for men. Use words like "try" instead of "endeavor", "find out" instead of "ascertain".

* * * *

And should circumstances dictate that you find it necessary to

transmit any epistolary communication to me please redact the signi-
fication of your phraseology since excessive diallage tends to be
conducive to the deterioration of my duodenum. I mean—wordy letters
give me ulcers. o Arthur G. Roberts in
Office Equipment and Methods

COMPARISON OF MILL RATES

During his address to the UAM Convention, Mr. Hooke cited 1961 mill rates of various Alberta municipalities as compared with the rates last year. He saw the indicated changes being due to Alberta's School Foundation Program as well as to variations in assessment levels.

Below is a sidelong glance at what happened this year as compared with last in 305 Alberta municipalities:

	Over 10 Mills Reduction	6 to 10 Mills Reduction	Up to 6 Mills Reduction	Same As Last Year	Increased	
CITIES - 9	1	-	2	3	4	Total Mill Rates
	-	3	2	-	4	School Mill Rates
TOWNS - 89	3	14	27	33	12	Total Mill Rates
	30	34	18	6	1	School Mill Rates
VILLAGES - 159	8	17	35	73	26	Total Mill Rates
	24	54	37	29	15	School Mill Rates
COUNTIES - 17	-	1	5	4	7	Total Mill Rates
	1	1	1	7	7	School Mill Rates
MUNICIPAL DISTRICTS - 31	1	2	5	8	15	Total Mill Rates
	1	-	12	5	13	School Mill Rates
TOTAL - 305 MUNICIPALITIES	12	34	74	121	64	Total Mill Rates
	56	92	70	47	40	School Mill Rates

THIS MONTH

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TRENDS IN

MUNICIPAL AND SCHOOL TAXES

BY H. CARL GOLDENBERG, O.B.E., Q.C.

AN ADDRESS TO THE UNION OF ALBERTA MUNICIPALITIES MEETING OCTOBER 26 IN EDMONTON

Your executive has asked me to speak to you on "Municipal and School Taxation"—a subject which I know has been under some discussion in Alberta these past two or three years. I even recall my name being mentioned in connection with proposed legislation and with the legislation that was enacted earlier this year. While I cannot assume the responsibility for what has been done, I must admit that I was consulted and that I advised on the changes which are now in effect. It was a privilege for me to meet in Edmonton and in Montreal with the Provincial-Municipal Advisory Committee, the Minister of Municipal Affairs, and the senior officers of his department, and I can tell you that the new system of financing a school foundation program is the result of much thought, considerable argument, and a great deal of work. I am confident that the principle underlying it is sound and that its proper application will benefit the citizens of Alberta.

Having said this, I assure you that I have not come back to Alberta to praise or to defend any particular legislation. I was invited to speak to you on the general subject of municipal and school taxation—however presumptuous it may be for me to talk on this subject to you who are the people directly responsible for levying and collecting these taxes and for administering the services which they finance. Recognizing this, I do not propose to deal with techniques of taxation and administration but to make some general observations on problems of taxation for municipal and school purposes. I should add that these observations are based on the work which I have done in this field over a period of many years and in a number of the provinces.

MORE CLOSELY RELATED

I do not have to tell you that the services financed by municipal taxation are more closely related to the immediate health, happiness and welfare of the citizens than are those provided by other governments. Nor do I have to remind you that some of these services, such as police and fire protection, water supply, sanitation, public parks and streets and sidewalks, are of peculiarly local concern, while others, including education, social welfare and health and hospitalization, are of wider concern. That these services and facilities have had to be vastly expanded to meet the requirements of Canada's rapid economic expansion in the post-war years, with its concentration of population growth in urban areas, is a fact facing municipalities all across the country.

When we look at municipal revenues, the striking fact is that, notwithstanding the tremendous social, economic and financial changes which have occurred in Canada, the municipal tax base has remained relatively unchanged since Confederation. The rise in public expenditures which has accompanied the growth of our country has called for and resulted in a wide diversification of the tax base of the federal and provincial governments, but the municipalities in Canada, as in the United States, continue to be dependent in very large part upon the real estate tax. Notwithstanding widespread criticism, and in the face of new developments in taxation, this tax has remained the mainstay of municipal finance. As I am of the opinion that this will continue to be the case, I think it appropriate to consider some of the criticism which is levelled at the tax.

It is argued that the real estate tax violates the principle of taxation according to ability to pay. The answer is simple: the tax as levied does not rest nor does it purport to rest on ability to pay. It is not a personal tax based on income or net worth; it is a levy on individual parcels of real property and is payable by the taxpayer without regard to his total taxable capacity.

It is well to remember that the "ability to pay" theory of taxation, which holds that the citizen should contribute to the support of the State in accordance with his ability to pay, is not the only accepted theory. There is also the "benefit" theory, which holds that the citizen should contribute in relation to the benefits he receives from the State. While fairness and equity call for the application of the ability to pay principle whenever possible, no modern system of taxation is based exclusively on either ability to pay or benefits received. With the great increase in public expenditures and the levying of taxes on the same citizens by different units of government, the total tax structure

necessarily includes taxes based on ability to pay, taxes related to benefits conferred, and taxes such as excise and sales taxes which are levied with little regard to either of these principles. The ability to pay principle is in fact applicable only to taxation of net income or net worth, which are measures of taxpaying capacity, and such taxation can be levied and administered effectively only by the senior levels of government in a modern State. Income taxes, corporation taxes and death taxes are inappropriate insofar as municipal administration is concerned.

BENEFIT THEORY

When the nature of the real property tax is considered, its justification is found essentially in the benefit theory of taxation. This theory is particularly applicable in municipal finance but could scarcely be applied to the more general field of federal finance. It would be impossible, for example, to measure the individual benefits conferred by defence expenditures. But, no one will deny the fact that municipal expenditures confer special benefits on owners and occupiers of real estate: Expenditures for local improvements, a water supply, street maintenance, sewage systems, garbage removal, sanitation, and police and fire protection are directly beneficial to real property. The benefits conferred justify the levying of a property tax to pay for these services, although the tax payment is admittedly only a very rough measure of such benefits.

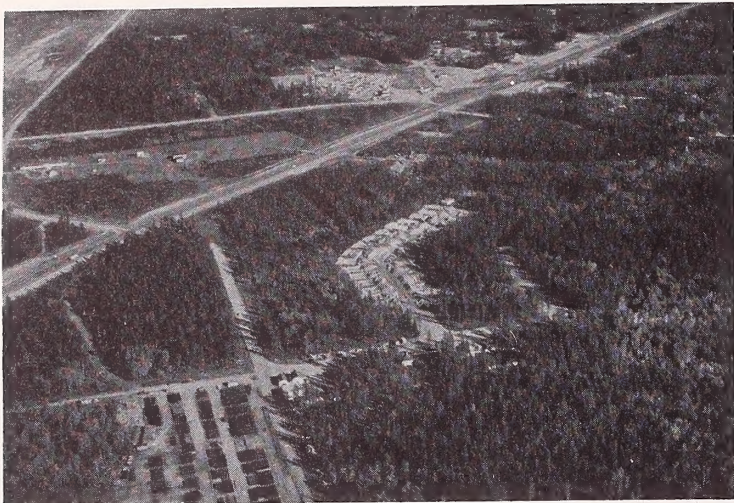
While it is generally admitted that property should pay for these services, it is frequently argued that it should not be called upon to pay for so-called services to persons, such as education. In my opinion, if this means that schools do not confer benefits on property, the argument is not valid. I submit that, while schools are a community asset conferring benefits on persons, they also to a considerable degree directly or indirectly benefit property, whether homes, commercial businesses or factories. No one will question the value of schools to homes; people would not settle in communities without schools. In so far as industry is concerned, it is on the school system that it depends for the education and training of its future employees, and, furthermore, in communities without schools for the children of employees there will not be found the pool of labour which is one of the determining factors in industrial location. I am therefore strongly of the opinion that, to the degree that the financing of education remains a municipal responsibility, it is reasonable to expect that owners of real estate, whether residential, commercial or industrial, should join with other taxpayers in contributing towards the costs.

JUDGE REPORT

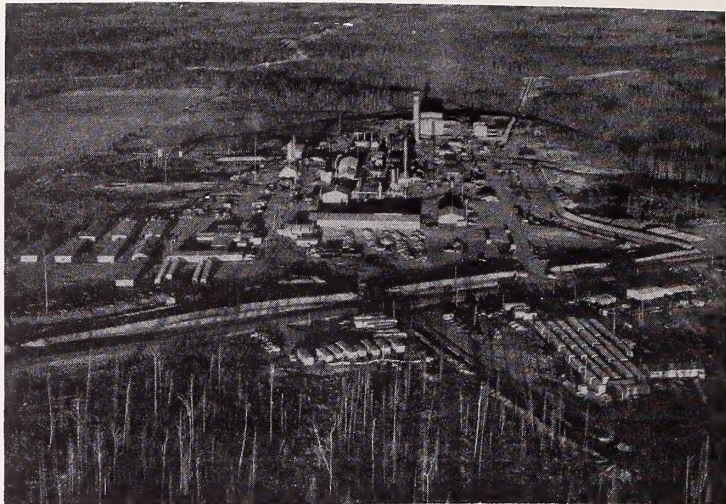
On this question of apportioning the costs of municipal services in terms of benefits conferred on persons and property respectively, of which we hear so much, I want to quote from the report of my old



AT THE UAM CONVENTION - H. Carl Goldenberg (third left) discusses problems of local government with A.W. Morrison, Deputy Minister of Municipal Affairs, Hon. A.J. Hooke, Minister, and Hon. A.R. Patrick, Minister of Industry and Development. * (To Page 6)



FIRST STAGE of new residential neighborhood in Whitecourt—Alberta's newest town—is adjacent to Highway 43.



WINDFALL GAS PLANT - "Industry in the heart of a forest" - 20 miles west of The New Town. (Alberta Government Photos)

WHITECOURT . . .

TOWN OF THE MONTH

THE GLOW IN THE NORTHWEST

BY J. E. POTTER, DEVELOPMENT OFFICER,
TOWN & RURAL PLANNING BRANCH

In July of 1959 The COUNSELLOR featured a brief article on the Village of Whitecourt and advised that after many years as a hamlet, Whitecourt had petitioned for and received the status of village.

A caption at that time indicated that this was "a vigorous town with unlimited expansion possibilities", a prediction which indeed has proved to be the case, for today Whitecourt boasts the status of New Town. To progress from a hamlet through village status to become a New Town in 2 years, certainly substantiates the point of view that those "unlimited possibilities" are changing to realities.

If the outlook in 1959 was optimistic, then we suggest that the immediate future is bright indeed, for many things have happened since then, and are happening even now to strengthen the economic base and growth of this enterprising community. New Town status opens up a wide realm of new possibilities, all of which will benefit the town and the community at large.

Of great importance and interest to any young community is the tax structure and the future of Whitecourt looks very good in this respect. With the advent of a major industry locating within the corporate limits of the town, the centralizing of many oil-well servicing industries and increase in the tourist trade already proven, the tax base is becoming more balanced, and augurs well for the town.

LUMBER AND OIL

For many years Whitecourt depended almost entirely on its lumbering industry. With the discovery of oil in the near vicinity however, the picture changed and it is probable today that some 80% of the industry located in the Town of Whitecourt is connected with the drilling, servicing, transporting and maintenance of oil and gas production.

Records show that up to the present time approximately 590 oil or gas wells have been drilled in what could be termed the Whitecourt trading area. This area extends for a considerable distance in all directions—Township 64 to 55 north to south and from Range 9 west of the 5th Meridian to the 6th Meridian, approximately 153 townships or 5,500 square miles.

The active producing areas are well known by their geographic locations and some familiar names are Kaybob, Judy Creek, Virginia Hills, Windfall and the Berland River.

The Windfall site is particularly in the news at the present time because of a large sulphur plant under construction there. When this is complete, a large operating staff will be required and the company concerned is building homes in a new subdivision in the town to accommodate the workers. These homes, together with many more which will be built, will have a considerable impact on the economy of the New Town of Whitecourt.

The older part of the town lies at the confluence of two large rivers, the McLeod and the Athabasca, and is in a rather vulnerable position in the event of these rivers flooding. Considerable study of this fact has been made by the Water Resources Branch of the Department of Agriculture and a map has been prepared which indicates the areas most prone to flood. Because of this, it has been necessary to seek new areas for residential subdivisions and a new site has been opened up on high ground just east of the older sections.

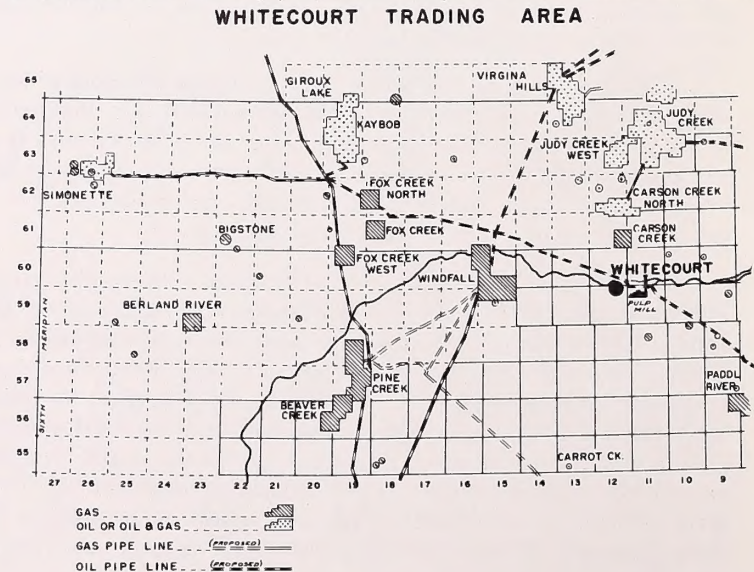
Highway 43 passes through the town and most travellers heading north to Alaska stop at Whitecourt. Consequently, there is considerable need for tourist facilities and like all highway towns, there is an increasing preponderance of gasoline stations, motels and coffee shops along the highway. Hunters and fishermen in large numbers are re-viewing their acquaintance with the town too, for the town is easy to reach on a very good highway and the forested areas around are a paradise for these sports.

NEW NEWSPRINT MILL

The public interest at the present time, however, is focussed on a newsprint mill which is scheduled to be completed by the middle of 1963 and upon which construction has now begun. This is one of the reasons why Whitecourt was granted New Town status, for its impact upon the town undoubtedly will be tremendous.

The mill site consists of a full half section of land approximately 2 1/2 miles east of the town centre and adjacent to the Canadian National Railway. Although usually referred to as a pulp mill, the plant will actually be a combined pulp and paper plant capable of producing the finest quality newsprint and the finished product will be ready to go right onto the printing presses. The mill will be equipped with the most modern machinery and all facilities for the staff will be the finest available.

(To Page 5)



from a leaflet published by
The ALBERTA SOCIAL CREDIT LEAGUE

DO YOU KNOW . . . ?

THAT . . . steady progress is being made toward the establishment of truly equalized assessments of all real property throughout the Province . . . and that the total assessment of each municipality is now "equalized", that is, calculated on the same basis.

THAT . . . the total "equalized" assessment referred to above is used:

- (a) As a factor in determining the share of provincial revenues going to each municipality.
- (b) To determine the share of each municipality toward providing hospital care at nominal cost for every resident of the Province. (This is 4 mills calculated on the equalized assessment).
- (c) To determine the share of each municipality in financing Alberta's school system up to standards set under a "foundation" program. (For this purpose each municipality is requisitioned at 32 mills on its equalized assessment).

THAT . . . there are no personal property, poll taxes or amusement taxes in Alberta.

THAT . . . training courses are being conducted for assessors and secretary-treasurers so that our municipal system may be administered with greater efficiency.

THAT . . . in most instances one-half the cost of making general assessments in our municipalities is borne by the Department of Municipal Affairs.

THAT . . . one-half of all costs of District Planning Commissions assisting in the orderly development of the Province is paid by the Department.

THAT . . . the Department of Municipal Affairs each year distributes \$15,000,000 unconditionally among Alberta municipalities . . . and that the total direct and indirect financial assistance to municipalities this year will be \$135,869,500. The corresponding figure in 1950-51 was \$19,248,258 and for twelve years (from April 1, 1950 to March 31, 1962) the total is \$892,618,883.

THAT . . . the provincial funds to be shared directly and indirectly with our municipalities during 1961-62 is 42.01 per cent of the entire estimated income of Alberta for the current year.

THAT . . . Provincial aid to Alberta municipalities by means of direct and indirect financial assistance together with loans over the past twelve years totals \$1,191,857,688. * * * *

The GLOW in the NORTHWEST
(From Page 4)

When operating to capacity, there will be a labor force of around 800, of which approximately 275 will be engaged in the mill itself with the rest occupied in pulp cutting and related forestry operations. Stockpiling of pulp wood is scheduled to commence in 1962 and it is estimated that a working stockpile of between 50,000 and 100,000 cords will be kept on hand at all times.

BOARD OF ADMINISTRATION

A Board of Administrators has been established to act on behalf of the New Town. The members are C. Feero, chairman and mayor of the former village; A. Millar, former village councillor; E. Nelson, local business man. Also on the Board representing the Department of Municipal Affairs are W.D. Isbister, Assistant Chief Municipal Inspector; and L. Gurel, Senior Inspector.

It is evident that the Board will have many problems to contend with and much work to do, starting immediately with a brisk demand for building sites of all kinds. A municipal water and sewer system has just been installed but as this serves only the older part of town there is an urgent need for an extension. Water, incidentally, is obtained from the McLeod River.

No effort is being spared to assure the proper development of Whitecourt. A general plan is being prepared by the Town and Rural Planning Branch of the Department of Municipal Affairs and it should not be too long before a zoning by-law for the whole town can be enacted. At the present time, interim development control is being exercised.

The New Town now covers an area of 10 square miles. Population is now about 986 but it is estimated that within a 5 year period the population will be more than three times this figure.

LONG IN THE SERVICE

A leading figure for many years in the municipal affairs of the district, Godfrey Baker recently resigned as secretary-treasurer of the County of Wetaskiwin. Mr. Baker is now in his 79th year. He is succeeded by his former assistant, Lloyd W. Dahms, but at the request of the county council will remain a member of the staff.

Coming to Canada from England in 1911 Mr. Baker used his engineering training in survey work for the railroad, now the CNR, through the Yellowhead route. Later he joined the engineering department of the City of Edmonton.



GODFREY BAKER

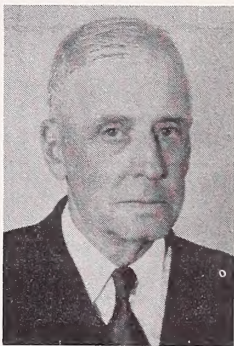
STARTED IN 1924

Mr. Baker's long municipal experience commenced in January, 1924, when he took the post of secretary-treasurer of the M.D. of Montgomery, as the rural area adjacent to Wetaskiwin was then called. In the post-war years he also continued his interest in military affairs, retiring with the rank of colonel in the militia. His appointment as secretary-treasurer was confirmed when the municipal districts of Montgomery and Bigstone were amalgamated into the M.D. of Wetaskiwin in 1942. Enlargement of the district preceded inclusion in the county system in 1958 and Mr. Baker carried on his duties. He also served the Wetaskiwin Canadian Legion branch as president, secretary and treasurer.

Mrs. Baker died five years ago. A son, Charles, resides in Wetaskiwin, and a daughter, Mrs. James Newby, in Edmonton.

* * * *

J.H. Galbraith, Secretary-Treasurer of the Town of Ponoka since 1937, was honored by the town council recently on his retirement which was effective the end of September. Mayor Don McCrimmon presented Mr. Galbraith with a chime clock suitably engraved, and thanked him for his cooperation with councils during his 24 years of faithful service.



J.H. GALBRAITH

In his reply the retiring secretary recalled that he had seen Ponoka grow from a town of about 600 persons to a population of more than 4,000. He complimented those who had served on the town council, saying that at no time had they displayed any selfishness in handling town affairs.

John Happell Galbraith was born in Glasgow, Scotland, in 1893 and received his education there. Coming to Canada shortly after World War One, he worked as a banker, leaving in 1937 to assume his duties as Secretary of the Town. Mr. Galbraith also served as Secretary of the Union of Alberta Municipalities for many years.

o Edmonton Journal

* * * *

Two veteran employees of the Municipal District of Kneehill, Charles J. Christie and Clyde C. Ruby, were recipients of congratulations at a banquet recently which honored their retirement.

Mr. Christie was elected to the council of the M.D. of Stauffer in 1928 and served in that capacity until 1936 when he took over the duties of municipal reeve. In 1941 he succeeded the late Willard Nelson as secretary-treasurer of the M.D. of Stauffer. When the municipalities of Stauffer, Ghost Pine, Carbon and Norquay amalgamated to form the M.D. of Kneehill in 1944, Mr. Christie served as assistant secretary-treasurer, assessor and welfare officer until his retirement.

Mr. Ruby, meanwhile, served the municipal districts of Ghost Pine and Kneehill in various capacities almost continuously from 1908 until his appointment as a field supervisor with the Agriculture Service Board in 1953. Among the jobs he held were those of road foreman and gravel checker.

o Calgary Herald

TRENDS in MUNICIPAL and SCHOOL TAXES

(From Page 3)

friend, your former Deputy Minister of Municipal Affairs, Mr. J.W. Judge, who as a Royal Commissioner on taxation in Alberta in 1948, wrote as follows:-

"It has been submitted that property taxes should be used to pay only for those services which benefit property directly or indirectly, and that taxes on persons be used to pay for services that benefit persons. Not only is there the difficulty of separating property benefits and personal benefits: it should also seem evident that only persons pay taxes, and in the final analysis, only persons can derive benefits. The benefits of collective services are widely diffused, and no precise lines can be drawn as between different services, and as to the proportions of benefits accruing to persons and to property, even if one assumes that there is a valid distinction between personal and property benefits. If one pursues the benefit principle to the limit with respect to persons (who make use of property in various ways), then one would be charging these persons in accordance with benefits received, if the benefits could be determined. It also implies that persons could refuse to take the benefits concerned to avoid payment, this is not possible in the case of collective services. One of the functions of government is to provide certain collective services which cannot or will not in themselves be bought and sold by individuals."

While it is clear that the real estate tax is most appropriate to municipal administration, and that, for this and other reasons, it will continue to be the mainstay of municipal finance, we must at the same time take cognizance of the fact that it has serious limitations when we consider actual and prospective municipal requirements. With Canada's economic expansion, it is the municipalities which are called upon to provide the facilities required by physical growth and, with increasing urbanization, urban municipalities must provide for a rate of growth considerably higher than the overall average. And yet, while the tax sources available to the federal and provincial governments respond automatically to economic growth and price changes because they are more closely related to income or to the productivity of business, the principal municipal tax source does not respond as readily to economic influences. It constitutes a narrow and relatively inelastic tax base.

TAXPAYER RESISTANCE

Furthermore, there is the practical consideration of taxpayer resistance, of which you are no doubt aware. Since real estate taxes must be paid out of income and the same income is also subject to prior and onerous federal and provincial taxes, I do not have to tell you that the owners of real property react with compelling effect against demands to increase assessed values or tax rates in line with rising prices and increasing municipal costs. Accordingly, while real property tax revenues will continue to rise with the growth of the community, the rate of increase in the productivity of the tax will lag behind the rate of growth of the community, and will thereby continue to limit the capacity of municipalities to finance expanded services and facilities.

I should say at this point that, insofar as taxpayer resistance is concerned, in my opinion an important factor contributing to dissatisfaction with the real estate tax is that it normally involves a large lump sum payment annually. While personal income tax is now collected through payroll deductions in the case of salaried people and wage earners and on a quarterly basis in other cases, the real estate tax is normally due and payable in whole at one time. This makes it appear more burdensome than other payments that are spread over the year. The wide extension of the system of payment for purchases on the instalment plan has now accustomed a large proportion of the population to budget its bills on a monthly basis. In the case of mortgages under The National Housing Act, property tax payments are included with the monthly mortgage payments. This allows the taxpayer to provide for his tax payment in the same way as he provides for other payments throughout the year. Instalment payments are, or appear to be, less burdensome than payment in a lump sum, and if applied to the real estate tax, I am of the opinion that payment would be eased and the dissatisfaction of the taxpayer lessened.

With improvements in assessment and administration, municipalities could make more effective use of the real property tax, but this will not solve the problem arising from the fact that the tax does not respond to economic influences in the same way as do other taxes and that its productivity increases at a slower rate than the growth of the community. While revenues from the business tax, which is a tax on occupancy, and, in the case of Montreal and other municipalities in Quebec, from the sales tax, have helped reduce the dependence of some urban municipalities on the real estate tax, this tax still accounts for much the larger part of total municipal tax revenues in Canada.

New tax sources which, like the real estate tax are both appropriate to municipal administration and sufficiently productive, are difficult to find. There is one, however, to which I must make reference.

TAX ON MOTOR VEHICLES

After a thorough enquiry covering the whole of the Canadian economy, the Royal Commission on Canada's Economic Prospects, reporting in 1956, said:

"It was represented to us that an annual tax on motor vehicles would undoubtedly be a substantial revenue producer in the larger municipalities. As a very considerable part of the expenditures for streets, parking facilities and the like are necessitated by the increasing number of motor vehicles, a tax on this form of property seems to be a reasonable way to increase municipal revenue."

An examination of urban municipal budgets shows that capital and maintenance costs of streets and bridges are an important item. These costs are a direct result of the demands created by the owners of motor vehicles. In terms of the benefit principle of taxation, they are costs which should logically be borne, at least in part, by the user. A municipal tax on motor vehicles in the larger urban municipalities would help to distribute the costs of construction and maintenance of streets and of traffic control more equitably among those receiving the benefits and could also reduce the dependence on the real estate tax.

The fact that municipalities face a financial problem and that this results not only from their narrow tax base but also from the social and economic changes which have made some of the major municipal responsibilities matters of far more than local concern, has been recognized in varying degree by all the Provinces of Canada. Provincial grants representing participation by provincial governments in the financing of services of more than local concern are, therefore, an important factor in municipal budgets today and have grown at a faster rate than income from local taxation.

COMPENSATION FOR SERVICES

While an increasing proportion of the greatly expanded revenues of most provincial governments is now being spent either directly on or by way of grants-in-aid to municipalities for such services as education, health and welfare and roads, or generally to assist municipal finances, these grants must not be considered as gifts by the provinces to their municipalities and school boards. They are in fact partial compensation for the provision of services which are of province-wide interest and importance rather than or purely local interest. As municipalities are relieved of financial responsibilities in this way, they will be in a better position to expand essential local services and to renew and increase municipal plant both to meet existing requirements and in anticipation of prospective growth. In my opinion this is the proper approach to a solution of the problem of municipal finance. With income taxes and sales tax available to them, the provinces are in a far better position than are municipalities to finance services of more than local concern. While it has been suggested that municipal autonomy would thereby be weakened, I am of the view that, if readjustments in provincial-municipal financial relations enable municipalities to finance present and prospective requirements for basic municipal services, the effect can only be to strengthen local self-government.

Provincial grants are essential not only to relieve municipalities in general of burdens which should not be theirs, but also, having regard to differences in fiscal capacity among municipalities, to help introduce more equity in the provision of basic services. This requires co-operation between the province and its municipalities and a proper system of equalized assessments, such as you now have in Alberta. The aim should be to enable municipalities and school boards to provide as far as possible approximately the same level of such services as education, for example, and to impose approximately the same tax burden for such services wherever the taxpayer may live in the province. This, as I understand it, is the principle underlying the new basis of school financing introduced this year in Alberta.

SCHOOL FOUNDATION PROGRAM

That the underlying principle of equalization through the establishment of a School Foundation Program financed jointly by the Province and the municipalities is sound I have no doubt. Whether the Foundation Program in Alberta is adequate or whether an undue burden of school costs is still left to be borne by the municipal taxpayers, I cannot say. However, it is my hope that in giving effect to the new policy full regard will be had to the over-riding importance of education in the modern world of rapid social and technological change. While the taxpayer's money must be spent with care, I suggest that you do not allow yourselves to be influenced by an undue fear of so-

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SECRETARY'S CALENDAR

Municipal Districts and Counties

Every Month

5th-Within 5 days after the end of each month the Secretary-Treasurer shall prepare a statement of monies received and their disposition, submit to council at next meeting and enter a copy in the minutes. Sec. 61(v) Municipal District Act.

Dec. 1 - Final installment of Hospitalization Benefits Plan requisition due. Sec. 50 Alberta Hospitals Act.

Dec. 1 - Final installment of School Foundation Program Fund requisition due. Sec. 304a School Act.

Dec. 15 - Final quarterly installment of school district or division requisition due. Sec. 338 Municipal District Act.

Dec. 31 - Charges for destruction of pests not paid before this date shall be added to taxes on land. Sec. 278 Municipal District Act.

Dec. 31 - Financial yearends. Sec. 69 Municipal District Act.

Dec. 31 - Prior to this date council shall provide for nomination meeting on the third Saturday in February or within three days before or after. Sec. 96(1) (3) Municipal District Act.

Dec. 31 - Assessor to complete assessments by this date. Sec. 15 Assessment Act, 1960.

Dec. 31 - In the case of an annual assessment, notice of preparation of roll shall be published on or before this date. Sec. 30 Assessment Act, 1960.

Towns and Villages

Every Month

15th-Secretary-Treasurer shall prepare a statement of monies received and their disposition, submit to council at next meeting and enter in minutes. Sec. 67(r) Town and Village Act.

Dec. 1 - Final installment of Hospitalization Benefits Plan requisition due. Sec. 50 Alberta Hospitals Act.

Dec. 1 - Final installment of School Foundation Program Fund requisition due. Sec. 304a School Act.

Dec. 15 - Final quarterly installment of school district or division requisition due. Sec. 355 Town and Village Act.

Dec. 31 - Assessor to complete assessments by this date. Sec. 15 Assessment Act, 1960.

Dec. 31 - In the case of an annual assessment, notice of preparation of roll shall be posted and published on or before this date. Sec. 30 Assessment Act, 1960.

Dec. 31 - Financial year closes. Sec. 77 Town and Village Act.

Tax Recovery Act

Dec. 31 - Taxes deemed in arrears if unpaid after this date, unless later date was lawfully fixed for payment. Sec. 3(9) and 4(4).

TRENDS in MUNICIPAL and SCHOOL TAXES

(From Page 6)

called educational "frills". We must realize that what might have been considered a "frill" when we went to school may now very well be a necessity. I fail to understand why better equipment in our schools and a richer educational diet for our children constitute unnecessary "frills", while the private extravagances which are mortgaging the future of our affluent society are considered desirable and even necessary. Let us not lose our sense of values!

In conclusion, I want to say this with respect to the municipal taxpayer. The municipality provides him with goods and services which are essential to his well-being. These are provided collectively because he cannot afford to provide them himself, and these services have been increased and improved in recent years only in response to his demands. If taxes have risen, the costs of other goods and services which he purchases have risen even more. It appears to me that there is less reason for complaint about the rising costs of the municipal services than there is for complaint about the rising costs of the other goods and services which he buys. Many of the things he buys are far less essential than are the schools, streets, sidewalks, water and sewerage facilities, police and fire protection, and public parks which his taxes buy. And yet, his annual expenditures on liquor and cigarettes alone are probably greater in many cases than the school tax which he pays for the education of his children. It was recently pointed out that in Canada we spend more money annually on service stations for our cars than on schools for our children. Considering the relative importance of municipal and school services, I suggest that the citizen receives more value for his municipal and school taxes than for any other expenditures which he makes.

UAM HOLDS 57th ANNUAL CONVENTION

(From Page 1)

Turning to the School Foundation Program, Mr. Hooke said he was pleased it had not been delayed another year. He said certain adjustments would be made in the program. He wanted municipalities to examine their utility franchise agreements with care.

Mr. Hooke was of the opinion that the time has come to take a close look at urban counties and felt the problems involved in this form of local government "would not be too difficult".

Turning next to municipal financing Mr. Hooke urged municipalities to defer excessive borrowing and try to "come closer to paying as you go". He said there is a definite limit to grants or loans and pointed out that "the only money you have to spend belongs to the ratepayers". He was personally hesitant about borrowing money and traced the phenomenal growth of debt, income tax and sales taxes during the past few decades. He said Alberta's Municipal Financing Corporation had borrowed over \$181,000,000 and warned that the crushing load of debt leads straight to communism.

"We must cut back," the Minister concluded, "and we're asking you to take a second and a third look at your expenditures."

A second highlight of the opening session was the presentation of certificates to some fifty men and women who have completed three years of study in municipal administration and assessment courses. Introducing the graduates was Duncan Campbell, Director of Extension, University of Alberta, while others offering congratulations and making the presentation were A.W. Morrison, Deputy Minister of Municipal Affairs, Dr. Eric Hanson, Head of the University's Department of Political Economy and Don Bancroft, Lecturer, Public Administration Division. Mr. Bancroft received special thanks for his work in organizing and conducting the courses.

FOUNDATION PROGRAM PANEL

In discussing the School Foundation Program, Hon. A.O. Aalborg summarized the overall financial picture as involving approximately \$52,500,000 requisitioned by the Foundation Program Fund upon a total equalized assessment of \$1,641,199,539. Added to this for 1961-62 are grants totalling roughly \$50,400,000 while school requisitions upon local councils are estimated at \$6,500,000. A further \$4,000,000 from "other sources" brings the total school cost this year to \$113,492,000.

Mr. Aalborg listed four results already coming from the new program: (1) It has not meant a greater burden to ratepayers; (2) There has been not a shred of evidence pointing to reduced educational standards; (3) School boards have scrutinized their budgets more closely; (4) It keeps the cost curve closer to the growth curve.

Dr. Andrews, speaking as a school trustee was concerned about the future of the Foundation Program because he saw an inevitable increase in school costs with a resulting shift from local to provincial authority. He wanted the Province to absorb a larger proportion of school costs and emphasized the need to allow for declining purchasing power as well as a demand for increased school services.

Mayor Harry Hays said he had always supported the Foundation Program but saw a need "to put teeth into it". He said educationists sometimes get carried away and warned that all money comes out of the pockets of the same people. He expressed himself in favor of a specific number of children for each school room and wanted to see school boards a part of the city council.

Mayor Ross Ellis outlined the function of the Provincial-Municipal Advisory Committee and as a member of the Committee said he felt considerable pride in how the Program is working out. He said he would like to see more explanation of the 32 mill rate which may be higher when costs are applied to local taxable assessments. Mayor Ellis was confident the growth of the Province would take care of increased costs of education.

H. CARL GOLDENBERG

Introduced by Mayor Ross Ellis, H. Carl Goldenberg spoke highly of the Provincial-Municipal Advisory Committee and declared "the principle underlying the Foundation Program is sound". He paid special tribute to J.W. Judge, former Deputy Minister of Municipal Affairs, as "one of the most competent persons in the municipal field in Canada" and described grants-in-aid as "partial compensation for services rendered by local authorities".

Mr. Goldenberg told delegates not to be afraid of educational frills and added "our sense of values" should not be lost. He said he wasn't "too fond of debt" and emphasized the need of "keeping close to a pay as you go" policy. He was not advocating any new tax field, but if greater revenues were needed he said a municipal tax on auto-

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MEET THE DEPARTMENT

First Inspector - Assessor of the Field Service Branch this month is Guy Raymond Dompnier whose home base is Evansburg. From this centre he helps administer Improvement Districts 77, 78 and 79, his offices including secretary of the agricultural service board, a member of two planning commissions and also of the Edson Health Unit.

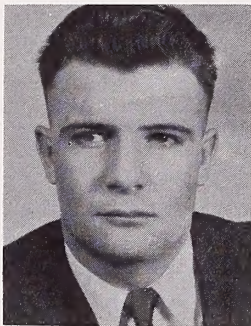
Mr. Dompnier was born April 30, 1931, at Girouxville and was educated at High Prairie. Prior to joining government service on September 1, 1953, he was an automotive partsman and salesman. He was three years with the Field Service Branch (one year at Breton and two years at Edson) when he was appointed to his present position on November 1, 1956.



G.R. DOMPNIER

Mr. Dompnier was married in August to the former Gisele Aubin, a nurse from Quebec. He is an active member of the Evansburg Chamber of Commerce and Charter President of the Kinsmen Club there. He is also a member of Ste. Elizabeth Catholic Church. While in the employ of the Department he has witnessed the decline of ghost towns of Cadomin, Luscar and Mercoal. On the other hand he has seen the development of Drayton Valley, Hinton and Whitecourt take place during the same period.

Archie Ray Grover, another young Inspector - Assessor of the Field Service Branch, joined the Department of Municipal Affairs in March of 1955. Located at High Prairie, he carries out the work of the Department in I.D.'s 110, 124, 125, 126, 128 and 129. This vast inspectorate takes in approximately 600 townships or nearly 36,000 square miles. His duties include service on Farm Purchase Credit Boards and Brucellosis committees in the region, on the Interim Development Board for I.D. 125 and on the Peace River District Planning Commission.



Mr. Grover was born at Hanna on October 15, 1934. He received his early education at Youngstown and graduated from Oyen High School in 1953. Recently he completed the University of Alberta's Certificate Course in Municipal Assessment. Previous experience includes employment in the Alberta Co-op Wholesale at Oyen and with the Department at Drumheller and Medicine Hat.

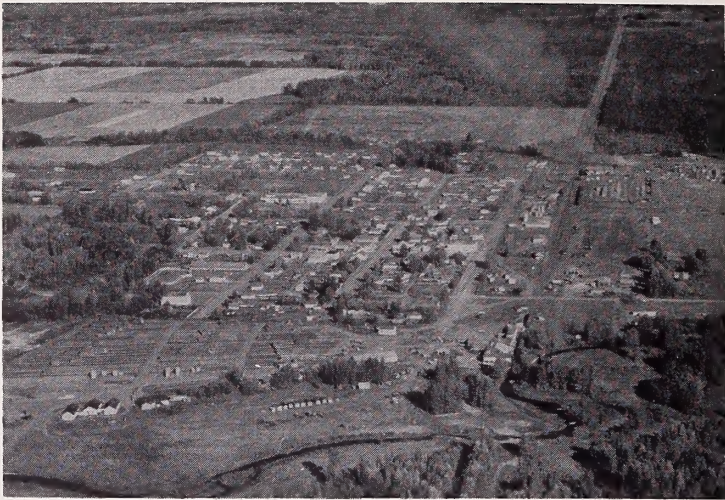
Mr. Grover was married in 1956. He and his wife, the former Verlyn Dell of Oyen, have a daughter of two named Brenda. He is a Past Exalted Ruler of the High Prairie Lodge #279, B.P.O.E. and member of the Masonic Lodge. Captain on the local Volunteer Fire Brigade, he also serves on the Session of Elders of the High Prairie United Church.

SECRETARIES MEET AT LEDUC
(From Page 1)

meeting be conducted without an agenda and any secretary with a problem of interpretation of the Town and Village Act or other matter of procedure direct their questions to him, with other secretaries giving their views on how they had dealt with similar situations. Until the noon hour the discussions dealt with by-laws dealing with frontage tax assessments for local improvements, licensing, franchises, preparation of assessment roll and tax roll, voting on money by-laws and for election of councillors. Mr. Ramsay pointed out many instances where the secretary should be familiar with the Act in each of these matters.

In the afternoon Mr. Bruce dealt at some length on the new Financial Statement which the Town and Village Auditors will be preparing for the councils of the towns and villages of the Province for the 1961 operations. The new statement was compiled following the preparation of a new Municipal Finance Reporting Manual by the Dominion Government. Following questions directed at Mr. Bruce on the statement, Mr. Hansen was questioned by various secretaries on matters concerning property assessments and business tax assessment and the collecting of such taxes.

o From the Leduc Representative



The NEWTOWN of WHITECOURT - 113 miles northwest of Edmonton. We're looking east to the paper mill site. That's Beaver Creek in the foreground.
(Story on Page 4)



CIVIL DEFENCE PREPAREDNESS

1. Protect yourself from radioactive fallout. Construct your family fallout shelter if you want adequate protection.
2. Equip your fallout shelter with a two-week supply of food and water in covered containers, essential medicines, battery radio, clothing and blankets, and sanitation facilities.
3. If you plan to leave the target area, have a 7-day survival kit for your car.

LEARN

1. Warning signals and what they mean.
2. Your municipal plan for emergency action.
3. If you live in Edmonton or Calgary, know your dispersal route.
4. Enrol for Civil Defence courses and courses in first aid and home nursing.

DMA HOLDS FIRE DRILL

More than 120 people filed from the Municipal Affairs Building, Edmonton, into the raw outdoors on October 11 in a surprise fire drill observing Fire Prevention Week. All were evacuated in a few minutes without incident of any kind. Similar drills, involving about 2,000 men and women altogether were conducted at other government buildings throughout the city.

Austin Bridges, Provincial Fire Commissioner, expressed satisfaction with the conduct of the drill. "Here is a large body of people", he said, "doing something positive about fire safety". He wants to see such drills held twice a year and praised the value of families making the same tests in their homes.

UAM HOLDS 57th ANNUAL CONVENTION
(From Page 7)

mobiles "would help to distribute the cost of construction and maintenance of streets and traffic".

In his second address Mr. Goldenberg gave those attending the banquet "a bird's eye view" of trends at three levels of government finance. Property was still the major field for local taxes and he could see little hope of change in this condition.

SURVIVAL PLANNING

The sombre subject of planning for survival in an thermonuclear war took up most of the morning session on Friday. Hon. Fred Colborne, in discussing the need for such planning said "survival is possible for millions" if proper care is taken. He described as "fantastic" the present difficulty in arousing interest in emergency planning.

Brig. J.S. Ross, D.S.O. described the organization of the military in preparing for possible disaster and outlined what has been accomplished in the last two years. He said the job of the army is saving lives.

Arnold J. Lavoie, Provincial Co-ordinator, EMO, dealt at some length with what has been accomplished by way of planning and training in the Province and urged as a minimum step during the coming national exercises a meeting of local councils to discuss "what to do if this were the real thing". Planning now will save lives Col. Lavoie concluded. "Prepare now as if thermonuclear war were inevitable".

At the final session it was decided to hold next year's convention at Red Deer, the dates being October 24, 25 and 26.